



## Kelly Services Reports 3rd Quarter 2007 Results

TROY, MI (October 23, 2007) -- Kelly Services, Inc., a global provider of staffing services, today announced results for the third quarter ended September 30, 2007.

Carl T. Camden, President and Chief Executive Officer, announced revenue for the third quarter of 2007 totaled \$1.425 billion, a 2.0% increase compared to the \$1.397 billion for the corresponding quarter in 2006. On a constant currency basis revenue decreased 0.6%.

Earnings from operations for the third quarter of 2007 totaled \$20.8 million, a 9.6% decrease compared to \$23.0 million reported for the third quarter of 2006. Included in earnings from operations are \$2.5 million of costs related to the restructuring of our Americas Commercial and UK operations.

Diluted earnings per share from continuing operations in the third quarter of 2007 were \$0.40, a decrease of 11% as compared to third quarter 2006 earnings of \$0.45 per share. Included in third quarter diluted earnings is the \$0.05 per share cost of the Americas Commercial and UK restructuring.

Commenting on the results, Camden said, "Despite continued weakness in the U.S. staffing market, we're pleased that we delivered solid profitable results. We also accomplished a number of key strategic objectives during the quarter as we continue to diversify geographically and move into higher margin fee based businesses.

"We recently announced an agreement to acquire access AG, a \$15 million revenue recruiting process outsourcing firm with operations in Germany and Austria. The acquisition of access AG will position Kelly as a leader in one of the fastest growing recruitment markets in the world.

"Revenue in our Americas Commercial segment, which accounted for 48% of total sales, decreased 5.7% year over year in the third quarter. Operating earnings totaled \$19.0 million, and decreased 26.4% compared to last year. Included in the segment operating earnings are \$1.5 million of restructuring costs.

"Revenue in the Americas PTSA segment, which accounted for 19% of total sales, increased 1.6% year over year in the third quarter. Operating earnings totaled \$14.5 million and decreased 3.1% on a year over year basis.

"Revenue in our International Commercial segment, which accounted for 29% of total sales, increased 13.8% year over year in the third quarter. On a constant currency basis revenue increased 5.8%. The segment operating earnings totaled \$4.6 million, an increase of 43.5% compared to \$3.2 million the prior year. Included in the segment operating earnings are \$953 thousand of UK restructuring costs.

"Revenue in our International PTSA segment, which accounted for 4% of total sales, increased 40.4% year over year in the third quarter. On a constant currency basis revenue increased 30.3%. Operating earnings totaled \$950 thousand, an increase of 230% compared to earnings of \$288 thousand the prior year.

"Corporate expenses totaled \$18.3 million, a decrease of 14.2% compared to the prior year.

Mr. Camden added, "We expect fourth quarter 2007 earnings to be in the range of \$0.46 to \$0.51 per share, as compared to \$0.56 per share from continuing operations in the fourth quarter of 2006. Last year the fourth quarter benefited from an unusually low 11.3% effective tax rate. Not included in this guidance are planned restructuring costs in our Americas operations.

"We have completed our UK restructuring at a total cost of approximately \$6.0 million, or \$0.16 per share. In addition, we plan to complete our restructuring of our Americas operations in the fourth quarter. The full year charge will total approximately \$2.1 million pre tax, or about \$0.03 per share, including approximately \$600 thousand pre tax, or about \$0.01 per share, in the fourth quarter of 2007.

Mr. Camden concluded, "For the full year of 2007, we are currently forecasting that earnings will range between \$1.61 and \$1.66 per share, compared to \$1.56 per share from continuing operations in 2006. The range excludes the gain on the sale of the Home Care business and the UK and Americas restructuring costs."

In conjunction with its third quarter earnings release, Kelly Services, Inc. will host a conference call at 9:00 a.m. (ET) on October 23, 2007 to review the results and answer questions. The call may be accessed in one of the following ways:

Via the Telephone:

U.S. 1-800-288-8960 International 1-612-288-0337

The pass code is Kelly Services

Via the Internet:

The call is also available via the internet through the Kelly Services website: [www.kellyservices.com](http://www.kellyservices.com)

This release contains statements that are forward looking in nature and accordingly, are subject to risks and uncertainties. These factors include: competition, changing market and economic conditions, currency fluctuations, changes in laws and regulations, including tax laws, and other factors discussed in this release and in the company's filings with the Securities and Exchange Commission. Actual results may differ materially from any projections contained herein.

Kelly Services, Inc. (NASDAQ: KELYA, KELYB) is a world leader in human resources solutions headquartered in Troy, Michigan, offering temporary staffing services, outsourcing, vendor on-site and full-time placement. Kelly operates in 33 countries and territories. Kelly provides employment to more than 750,000 employees annually, with skills including office services, accounting, engineering, information technology, law, science, marketing, creative services, light industrial, education, and health care. Revenue in 2006 was \$5.5 billion. Visit [www.kellyservices.com](http://www.kellyservices.com).

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SOURCE: Kelly Services, Inc.